

STATE PLANNING OFFICE NEWSLETTER

Current News and Updates for Municipal Officials

Maine State Planning Office 38 State House Station Augusta ME 04333 Web: www.maine.gov/spo/ Tel: 207-287-6077

LD 1 Progress

Tax Reduction Requires Vigilance

The State Planning Office's LD 1 progress report for 2007 shows that the total tax burden on Maine residents has fallen to 11.14%, the lowest tax burden calculated by Maine Revenue Services in seven years. The report shows that for the third year in a row the growth rate of property taxes was lower than before LD 1 went into effect. However, the reduction in the growth of property taxes was less dramatic than before.

The State and a majority of municipal and county governments stayed within their LD 1 limits, but 82% of school administrative units exceeded their spending benchmarks. The trend of school units spending above targeted levels is accelerating. The first report of LD 1's impact showed 69% of school units exceeded their spending limit. In two years, that figure has grown to 82%. The growth in county assessments has also

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accelerated, primarily to fund new jail construction.

The law called, "LD 1," was the result of a citizens' referendum requiring the state to contribute 55% of local education costs and an ongoing effort to reduce taxes and lower Maine's state and local tax burden toward the national average. The law requires an annual progress report, which is conducted by the State Planning Office. For more information about the LD 1 report, please visit: <http://www.state.me.us/spo/economics/ld1/index.htm>

Uniform Statewide Building and Energy Code Proposed

Recently the State Planning Office facilitated a public process to develop a building code implementation plan. The Legislature charged five state agencies with developing a plan that achieves uniformity of building-related codes across the state (the departments of Economic and Community Development and Professional and Financial Regulation, Fire Marshal's Office, Historic Preservation Commission, and State Planning Office).

The plan proposes that a statewide building and energy code be adopted, updated, and interpreted

by a state technical building codes board, comprised of experts in energy conservation, building construction, fire prevention, and historic preservation. The board would identify conflicts between codes and guide municipalities in resolving them. The plan recognizes the need for assisting towns with code interpretation and providing accessible and affordable training in building and energy codes administration.

Under the proposal, municipalities remain responsible for enforcement of the code. Towns with populations over 2,000 would be required

Please see *building codes* on page 5

Director's Column

By Martha Freeman



The proposal to create a unified corrections system for Maine is on track just in time.

On February 25, the state government's Revenue Forecasting Committee adjusted projections for the 2008 and 2009 fiscal years. The effect of the sluggish national economy on Maine has created an additional \$27 million in lost revenue for FY08 and another \$68 million decrease for FY09. That \$95 million in lost revenue must be trimmed from the current state biennial budget.

Maine and all other states are in for a continued bumpy fiscal ride moving forward. To alleviate some difficult choices between fiscal realities and foregone public services, Governor Baldacci has encouraged all levels of government to provide quality service as efficiently as possible. Doing so will preserve the vital work of government while watching out for taxpayers.

That's why the Governor proposed to unify state and county corrections. Initially, and understandably, counties met the proposed change in traditional jail structures with concern. Yet this week—just in time to model needed creative and collaborative thinking—the counties, State Department of Corrections, and municipal representatives penned draft legislation to establish and finance a unified corrections system.

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"The State faces a difficult budget, but we must not forget that every Mainer is facing increasing financial pressures."

—Governor John E. Baldacci

Maine's Informed Growth Act

The Informed Growth Act requires developers to prepare an economic impact study for proposed, large-scale retail development in Maine. The study will provide additional information to planning boards making permit decisions.

The State Planning Office has a list of consultants qualified to prepare the economic impact studies. The municipality and the land use permit applicant jointly select a consultant from SPO's list. The study must be finished within four months from the date of a complete application being filed with the town. An application is not complete until SPO has received the developer's \$40,000 study fee.

Once the study fee is paid, the State Planning Office and the municipality execute a memorandum of agreement. After the study is complete, the municipality returns any unexpended funds directly to the developer.

A municipality with its own local requirements for studying economic and community impacts of large-scale development may follow their own procedures for selecting a consultant and preparing a study. During this session, the Legislature's State and Local Government Committee considered and rejected a bill that would have defined a process for a municipality to opt out of the impact study requirement altogether, by local referendum. The committee may yet ask the State Planning Office to facilitate a stakeholder discussion on the study requirements needed in a municipal impact ordinance.

For a list of qualified preparers, payment instructions, and answers to frequently-asked questions, visit SPO's Web site at <http://www.maine.gov/spo/specialprojects/qualifiedpreparers/index.htm>.

Asset-based Development

The Governor's Council on Maine's Quality of Place asserts that "quality of place" is a compelling framework for economic and community development in Maine, as a complement to traditional development strategies.

Asset-based strategies build on existing resources and strengths to create valued products and services that can be sustained for regional and local benefit. Their strength lies in the involvement of local leaders and stakeholders to identify local and regional tourism, natural, historical, cultural, civic intellectual and recreational assets.

"Keeping and strengthening what is special and distinctive about Maine, and holding and attracting talented people, is a new kind of economic development challenge."

—Governor's Council on Maine's Quality of Place, People, Place, and Prosperity, December 2007

Asset-based development prioritizes efforts to leverage outstanding community assets and strengths, as opposed to efforts designed only to fill gaps, address deficiencies, or provide lacking amenities. For example, support for a local swimming pool or industrial park—things that are not unique to a region—would not fit this definition; while support for assets unique to the community like the development of a heritage trail, the renovation of an historic mill complex, or the protection of an outstanding scenic view or open space are compelling, asset-based activities.

The council is exploring ways to support and enhance asset-based development in Maine including creating regional quality of place councils to identify assets and develop strategies for protecting, enhancing, and marketing them. FMI: <http://www.maine.gov/spo/specialprojects/qualityofplace/index.htm>.

Legislative Highlights

Here are some bills that SPO is watching, which may be of interest to municipal officials:

Building and Energy Codes

LD 2062: permits PUC and the State Board of Education to grant waivers from mandatory energy efficiency standards for building construction in the renovation of historic school buildings (hearing held by Education Committee, not reported out yet).

LD 2179: establishes a system for the regulation and inspection of building energy standards and requires municipalities to appoint one or more certified energy code inspectors (hearing held, pending committee action).

Maine Uniform Building and Energy Code Act (no LD assigned): see page 5.

Budget Reductions

LD 2196 (Supplemental Budget): eliminates funds for comprehensive planning grants along with one land use planner position at SPO (accepted by the State and Local Government Committee, under review by Appropriations).

Development Review

LD 1962: allows a municipality to opt out of the Informed Growth Act, by local referendum vote (ONTP with a divided committee report: majority report calls for a stakeholder process to report back on alternatives).

Jail Efficiencies

LD 2029: creates a unified state and county correctional system (hearing held, pending committee action).

Please see *Legislative Highlights* on page 5

LAND CONSERVATION PROPOSALS SOUGHT

The Land for Maine's Future Board calls for new land conservation proposals. A proposal workbook, which contains a complete description of the board's evaluation process and application forms to be used in preparing proposals, is available on-line. The deadline for applications is April 1, 2008. FMI: <http://www.maine.gov/spo/>.

MUNICIPAL EDUCATION TEMPLATES AVAILABLE

The State Planning Office has developed templates for use by municipalities to establish nonprofit education foundations in accordance with PL 2007, Chapter 405. Under Maine law, municipalities have the authority to accept donations for any specified public purpose. These statutory provisions govern acceptance of the donated funds, their investment, and their use. PL 2007, Chapter 405 grants explicit authority to establish nonprofit corporations to support local education. It also directs SPO to recommend growth standards for invested funds for a municipality to qualify for dedicated bond proceeds above \$20,000 as seed money for the foundation. FMI: <http://www.maine.gov/spo/legandgovreports/index.htm> under Legislative Reports.

NEW SPO WEB SITE

SPO's new Web site features new publications and spotlights timely program information. The featured publication highlights a just-released report or study of broad interest. The spotlight provides new and timely information about a project or programs. In addition, information about the various boards and commissions staffed by SPO is now in one, easy-to-find place. The site contains all of the previous program information including technical assistance manuals, studies, reports, and grant information, with links from the home page to the most frequently visited sites. Visit our new site at: <http://www.maine.gov/spo/>.

REGIONAL SERVICE CENTER RULE

The State Planning Office has provisionally-adopted amendments to Chapter 220, the rule it uses to identify municipalities serving as regional service centers in accordance with 30-A MRSA §4301, sub §14-A. The amendments extend the timeframe for updating the list of service centers from five (5) to ten (10) years to coincide with the release of new census data. The Office also updated references to the data sets required for determining service center communities to reflect recent job classification coding changes by the US Department of Labor. The amendments await legislative review prior to final adoption. FMI: <http://www.maine.gov/spo/landuse/>

**VISIT OUR NEW WEB SITE AT
[WWW.MAINE.GOV/SPO](http://www.maine.gov/spo/)**

TOURISM AND THE MAINE ECONOMY

Tourism is one of Maine's largest and most important industries. Every year, millions of people visit Maine's beaches, lakes, and mountains. The money they spend during their travels ripples throughout Maine's economy, generating jobs, income, and tax revenue. In 2006, an estimated 10 million overnight trips and 30 million day trips were taken in Maine. Travelers spent nearly \$1 billion on lodging, \$3 billion on food, and \$1 billion on recreational activities.

To better understand the contribution of tourism to Maine's economy, the Office of Tourism asked the State Planning Office to conduct an "economic impact" assessment. The State Planning Office found that the economic impact of tourism in Maine is huge. In 2006 it generated roughly \$10 billion in sales of goods and services, 140,000 jobs, and \$3 billion in earnings. FMI: <http://www.maine.gov/spo/economics/tourism/tourism.htm>

MEET SPO STAFFER: JOHN DEL VECCHIO

John Del Vecchio serves as SPO's legislative point person. He is a licensed forester and has worked with towns either at SPO or DECD for 30 years. Of this work he says, "I have always derived deep satisfaction from serving the public." He lives with his wife, Barb, in Whitefield. They have two daughters in college.

Building Code cont from page 1

to enforce the code. Towns of this size are already required under Maine law to appoint a building inspector. Now, they will inspect to Maine's uniform building and energy code, established and administered by the state board. These provisions would be phased in over a period of three years.

If approved by the Legislature, funding to support the new code board and additional training would come from an increase in fees paid to the fire marshal's office for building plan reviews. The plan calls for a fee increase of \$0.4 per square foot on buildings over 3,000 square feet in size. This fee increase would, for example, raise the cost of a 3,000 square foot building from \$150 to \$270. Local enforcement can be paid for by local building permit fees, as it often is now.

The state agency planning committee devised a plan after talking with hundreds of people across the state in public meetings. In focus groups conducted by Market Decisions, Inc. on behalf of the state, "most participants agreed that Maine's 'patchwork quilt' of building codes creates unnecessary confusion, fails to adequately protect consumers, and wastes money that adds to construction costs."

"Maine has short-circuited the consumer for 200 years because we do not have a set of [building] standards to follow."

—Local Code Officer

Legislative Highlights from page 3

LD 2080: improves coordination between state prison and county jail systems (hearing held, pending committee action).

Regional Service Centers

LD 1413: establishes a study group to review the funding of municipal services provided to tax-exempt institutions and organizations (enacted: P.L. 2007, Chapter 146).

Maine Uniform Building and Energy Code Act

Shortly, the Legislature's Business Research and Economic Development (BRED) committee will entertain a bill to implement and fund a uniform building and energy code. The committee is expected to schedule a public hearing during the second week in March, tentatively on March 11. The Revisor's Office will print the bill and assign a LD number prior to the public hearing. Please watch the BRED committee calendar for notice of the hearing. To see a draft of the bill or for more information:

<http://www.maine.gov/spo/specialprojects/buildingcodes/index.htm>

Looking for Legislative Information?

The Maine Legislature's Web site is an excellent resource.

Search Maine statutes on-line:

<http://janus.state.me.us/legis/statutes/>

Find a meeting or hearing date:

<http://www.maine.gov/legis/schedules.htm>

Look up the status of a bill:

<http://janus.state.me.us/legis/LawMakerWeb/search.asp>

Listen live to public hearings:

<http://janus.state.me.us/legis/audio/>

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Augusta ME 04333

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State Planning Office
38 State House Station
Augusta ME 04333
Tel: 207.287.6077

Web: <http://www.maine.gov/spo>



To be added to our mail list, e-mail:
linda.c.laplante@maine.gov

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I had the pleasure of working with Corrections Commissioner Marty Magnusson, his deputy Denise Lord, Karla Black of the Governor's Office, Waldo County Sheriff Scott Story, Cumberland County Sheriff Mark Dion, Kennebec County Commissioner George Jabar, and Maine Municipal Association representative Kate Dufour to negotiate the unified corrections system bill. The proposal creates a State Board of Corrections and a freeze on property tax assessments for jails.

The state-county-municipal negotiating sessions on corrections were, for me, a delight. We kept our focus on the goal of good corrections outcomes for inmates and the public while ensuring frugal use of all government revenues. I'm thankful to and proud of this negotiating team. We worked well together on behalf of Maine citizens just in time!

This newsletter is available on-line at:
<http://www.maine.gov/spo/publications/index.htm>